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January 21, 2002

VIA FEDERAL EXPRESS, PRIORITY OVERNIGHT

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Re: *Asphalt Products & Consulting, Inc. d/b/a Royal Trading Co.*

Dear Mr. Williams:

I have enclosed two originals and one copy of the document described below to be recorded pursuant to Section 11301 of Title 49 of the U.S. Code. This documents is a Security Agreement, a primary document dated January 2, 2002. The names and addresses of the parties to the document are as follows:

Grantor: Asphalt Products & Consulting d/b/a Royal Trading Co.
P.O. Box 1376
Tulsa, Oklahoma 74101
Attn: David Duncan, President

Royal Trading Co., trade name for Asphalt Products & Consulting
P.O. Box 1376
Tulsa, Oklahoma 74101
Attn: David Duncan, President

Grantee: Gold Bank
5120 South Garnett Road
Tulsa, Oklahoma 74146
Attn: Kurt Kazmierski

RECORDATION NO.

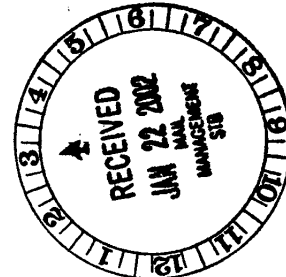
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JAN 25 '02

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SURFACE TRANSPORTATION BOARD



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Mr. Vernon A. Williams, Secretary
January 21, 2002
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Included in the property covered by the Security Agreement are railroad cars and other rolling stock owned by Asphalt Products & Consulting, Inc. at the date of said Security Agreement or THEREAFTER EXISTING OR ACQUIRED, including but not limited to:

SERIAL #	UNIT #	DESCRIPTION
541400	TIMC235001	25330 WG, 116-1/4 ID, C&I DOT111A100W1 Railroad Tankcar
541401	TIMX235002	25330 WG, 116-1/4 ID, C&I DOT111A100W1 Railroad Tankcar
541402	TIMX235003	25330 WG, 116-1/4 ID, C&I DOT111A100W1 Railroad Tankcar
541403	TIMX235004	25330 WG, 116-1/4 ID, C&I DOT111A100W1 Railroad Tankcar
541404	TIMX235005	25330 WG, 116-1/4 ID, C&I DOT111A100W1 Railroad Tankcar
541405	TIMX235006	25330 WG, 116-1/4 ID, C&I DOT111A100W1 Railroad Tankcar
541406	TIMX235007	25330 WG, 116-1/4 ID, C&I DOT111A100W1 Railroad Tankcar
541407	TIMX235008	25330 WG, 116-1/4 ID, C&I DOT111A100W1 Railroad Tankcar
541408	TIMX235009	25330 WG, 116-1/4 ID, C&I DOT111A100W1 Railroad Tankcar
541409	TIMX235010	25330 WG, 116-1/4 ID, C&I DOT111A100W1 Railroad Tankcar
543231	TIMX235011	25330 WG, 116-1/4 ID, C&I DOT111A100W1 Railroad Tankcar
543232	TIMX235012	25330 WG, 116-1/4 ID, C&I DOT111A100W1 Railroad Tankcar
543233	TIMX235013	25330 WG, 116-1/4 ID, C&I DOT111A100W1 Railroad Tankcar
543234	TIMX235014	25330 WG, 116-1/4 ID, C&I DOT111A100W1 Railroad Tankcar
543235	TIMX235015	25330 WG, 116-1/4 ID, C&I DOT111A100W1 Railroad Tankcar
543236	TIMX235016	25330 WG, 116-1/4 ID, C&I DOT111A100W1 Railroad Tankcar
543237	TIMX235017	25330 WG, 116-1/4 ID, C&I DOT111A100W1 Railroad Tankcar

Mr. Vernon A. Williams, Secretary
January 21, 2002
Page 3

A fee of \$28.00 enclosed. Please return the original and any extra copies not needed by the Board for recordation to:

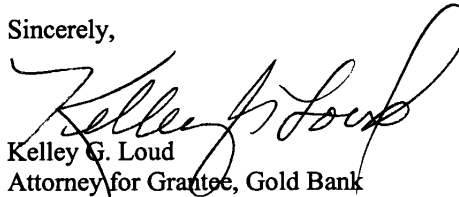
Kelley G. Loud
Barkley, Titus, Hillis & Reynolds, PLLC
15 East Fifth Street, Suite 2750
Tulsa, Oklahoma 74103

A short summary of the document to appear in the index follows:

Security Agreement between Asphalt Products & Consulting, Inc., P.O. Box 1376, Tulsa, Oklahoma 74101 and Gold Bank, 5120 South Garnett Road, Tulsa, Oklahoma 74146 dated January 2, 2002 and covering all railroad cars and other rolling stock owned by Asphalt Products & Consulting, Inc. or thereafter acquired.

Thank you for your assistance in this matter. If you have any questions, please do not hesitate to contact me at (918) 587-6800.

Sincerely,

A handwritten signature in cursive script, appearing to read "Kelley G. Loud".

Kelley G. Loud
Attorney for Grantee, Gold Bank

KGL:bi
Enclosures

ASPHALT PRODUCTS & CONSULTING, INC.

JAN 25 '02

4-30 PM

SECURITY AGREEMENT

SURFACE TRANSPORTATION BOARD

THIS SECURITY AGREEMENT is entered into as of January 2, 2002, with the security interest granted by and between ASPHALT PRODUCTS & CONSULTING, INC., an Oklahoma corporation, DBA ROYAL TRADING CO., ("Grantor" or "APC") and GOLD BANK, an Oklahoma banking corporation, ("Bank").

RECITALS:

A. Bank has extended loans to APC in accordance with that certain Loan Agreement of equal date between APC and Bank ("Loan Agreement"). The terms and conditions of the Loan Agreement are incorporated in this Security Agreement by this reference, as if fully set forth herein. Capitalized terms used but not defined in this Security Agreement shall have the meaning given to such terms in the Loan Agreement.

B. The loans and loan facilities are to be secured by, among other things, this Security Agreement, the Loan Agreement and other Loan Documents.

NOW, THEREFORE, for valuable consideration APC and Bank hereby agree:

1. **Security Interest.**

1.1 **Security Interest.** APC hereby sells assigns, conveys, pledges, hypothecates, transfers, and grants to Bank a security interest in all of its present and future right, title, and interest in the Collateral for the purposes of securing the prompt payment to Bank of any and all of the Secured Obligations.

1.2 **Certain Definitions.** When used in this Security Agreement the following terms shall have the respective meanings set forth following such terms:

"Collateral" shall mean:

(a) All of APC accounts, equipment, furniture, fixtures, inventory, licenses, goods, chattels, contract rights, leases, trade names, instruments, chattel paper, documents, and general intangibles, including without limitation, all of the property owned and used by APC in connection with the operation of its facilities, whether now owned or existing or hereafter acquired or arising, and all proceeds and products thereof in any form derived therefrom. By way of illustration and not by way of limitation, the terms "accounts," "equipment," "inventory" and "general intangibles" shall be deemed to include within their meanings the following:

(1) "accounts" shall include, without limitation, the complete definition of such term under Article 9 of the Uniform

Commercial Code ("UCC") and any and all rights of APC to payment for goods sold or leased or for services rendered, which rights are not evidenced by an instrument or chattel paper, whether due or to become due and whether or not the rights have been earned by performance;

(2) "equipment" shall include, without limitation, the complete definition of such term under the UCC and any and all goods, including fixtures, of APC, other than inventory, wherever located and whether now owned or hereafter acquired, including, but not limited to, machinery, computers, vehicles (including trucks, trailers and forklifts), railroad cars and other rolling stock (including those railroad cars described at Exhibit "A"), furniture, furnishings and office machines, together with all attachments, accessories, replacements, substitutions, additions and improvements to any of the foregoing, whether now or hereafter acquired, but excluding any goods leased by APC from others;

(3) "inventory" shall include, without limitation, the complete definition of such term under the UCC and any and all of APC's materials as well as goods, merchandise and other personal property of APC held for sale or lease or to be furnished under contracts of service, wherever located or in transit, together with all attachments, accessories, replacements, substitutions, additions and improvements to any of the foregoing, whether now owned or hereafter acquired; and

(4) "general intangibles" shall include, without limitation, the complete definition of such term under the UCC and all trade names of APC and general intangibles for money due or to become due.

(b) All documents and documents of title, receipts and the like, evidencing title to equipment or inventory;

(c) All interests of APC in and to the call logos, trade names, trademarks, trade secrets, other intellectual property, copyrights, computer software, franchises and patents, and similar materials;

(d) Any interests of APC in any personal property from which any of the properties assets and rights described herein arise;

(e) All rights and claims of APC in or under all policies of insurance covering the property of APC described herein, including but not limited to insurance for fire, damage, loss and casualty, whether covering personal property,

tangible rights together with the proceeds, or products, renewals and replacements thereof, including prepaid and unearned premiums;

(f) All books and records, including but not limited to credit files, computer programs, printouts and other computer materials and records pertaining to any of the property of APC described herein;

(g) All Fixed Assets;

(h) Without in any way limiting the foregoing, whether derived from voluntary or involuntary disposition, all proceeds and products of the property of APC described herein, and all renewals, replacements, substitutions, additions, accessions, rents, issues, royalties and profits of any of APC's property, whether now owned or existing or hereafter acquired or arising;

(i) All of APC's instruments or chattel papers (as defined in the UCC), now owned or hereafter acquired, and the proceeds thereof (the "Instruments");

(j) All of APC's Chattel Paper (as defined in the UCC) now owned or hereafter acquired and all proceeds and products thereof ("Chattel Paper");

(k) All of APC's Documents (as defined in the UCC) now or hereafter acquired including, without limitation, all substitutions, replacements and/or proceeds thereto ("Documents");

(l) All other general intangibles, rights, patents, franchises, options or similar benefits, now owned by APC or hereafter acquired and the proceeds thereof (the "General Intangibles");

(m) All Payment Intangibles, Promissory Notes, Electronic Chattel Paper, Letter of Credit Rights, Deposit Accounts, Fixtures, Investment Property, Securities Accounts, Commodity Accounts, Insurance and Security Entitlements now owned or hereafter acquired and the Proceeds thereof; and

(n) All Proceeds of the foregoing in any form and including, without limitation, anything received on sale, exchange, transfer, collection or disposition of any Collateral granted herein ("Proceeds").

All of the foregoing are hereinafter collectively called the "Collateral". APC may grant purchase money security interests in equipment (with the express consent of Bank) which shall be collateral and such purchase money liens will not constitute an event of default under the Loan Documents to the extent that the debt incurred and the lien granted are consistent with the Loan Documents.

"Account Debtor(s)" shall have the complete definition of such term under the Uniform Commercial Code.

"Secured Obligations" shall refer to the Notes executed in connection with the Loan Agreement, including without limitation any and all amendments to or extensions, renewals, modifications, substitutions and replacements of the Notes and including without limitation the Revolving Note in the Face amount of \$6,000,000.00 executed in favor of Bank, the Asphalt Plant Term Note in the face amount of \$8,300,000.00 executed in favor of Bank, the Rail Car Term Note in the face amount of \$660,000.00 executed in favor of Bank, the guaranties of the of the Notes, and all other indebtedness or obligations of the Borrower to Bank whether listed herein or under the Loan Agreement, Loan Documents or this Agreement, including, without limitation, listed in Paragraphs 1.3, 1.4 and/or 1.5, inclusive.

1.3 **Nature of Interest.** The assignment of the Collateral herein is for the purpose of securing the prompt payment of the Secured Obligations. Notwithstanding any other provision hereof, APC shall remain liable to observe and perform all the conditions and obligations to be observed and performed by APC in accordance with and pursuant to the terms and provisions of each of the Accounts. Bank shall have no obligation or liability under any of the Accounts by reason of or arising out of this Security Agreement, or the receipt by Bank of any payment relating to any of the Accounts. Bank shall not be required or obligated in any manner to (i) perform any of the conditions and obligations of APC under or pursuant to any of the Accounts, or (ii) make any payment or any inquiry as to the nature or the sufficiency of any payment received by Bank or the sufficiency of any performance by any party under any of the Accounts, or (iii) present or file any claim or take any action to collect or enforce any performance or payment of any amounts under any of the Accounts. Bank shall use reasonable care in the custody and preservation of the Collateral in Bank's possession. Bank shall not be obligated to preserve or protect any rights with respect to the Collateral against prior parties. Bank may at any time deliver the Collateral or any part thereof to APC, and the receipt of APC shall be a complete and full discharge of Bank for the Collateral so delivered, and Bank shall thereafter be discharged from any liability or responsibility therefor.

1.4 **Additional Agreements.** This Security Agreement is in addition to and without limitation of any right of Bank under any other Security Agreement granted by APC to Bank.

1.5 **Other Secured Obligations.** APC and Bank contemplate that APC Bank will, from time to time, engage in various transactions and that from time to time other circumstances may arise, in which APC becomes obligated to Bank. APC understands that some of those transactions and circumstances may be of a type that is very different from the loan transaction evidenced in part by the Notes and the circumstances connected therewith. APC desires and intend that Bank engage in all such transactions, and deal generally with APC with the assurance that any and all indebtedness and obligations now owed, and that may hereafter become owing, to Bank from APC, or anyone or more of them, will be secured by the liens arising hereunder. Therefore, the conveyance made by this Security Agreement, in addition to being made to secure payment of the Notes, is also made to secure and enforce the payment of all

other indebtedness and obligations of APC, to Bank, whether presently existing, or in any manner or means hereafter incurred by APC, and evidenced in any manner whatsoever, either by notes, advances, overdrafts, bookkeeping entries, guaranty agreements, liens or security instruments, or any other method or means including any renewal and extension of the Notes, or of any part of any present or future indebtedness, or other obligations, of APC, or any one or more of them, and including any further loans and advancements made by Bank to APC. The fact of repayment of all Notes, Indebtedness and Liabilities, and performance of all other obligations, of APC, to Bank, shall not terminate the lien arising hereunder unless the same be released by Bank at the request of APC; but otherwise it shall remain in full force and effect to secure all future advances, indebtedness and other obligations, regardless of any additional security that may be taken as to any past or future indebtedness or other obligations.

1.6 **Financial Statement.** APC irrevocably appoints Bank as its lawful attorney and agent to execute financing statements on APC's behalf, and on its behalf to file Financing Statements signed by Bank and APC, if necessary, in any appropriate public office.

2. **Representations and Warranties.** In order to induce Bank to enter into the Loan Agreement, APC represents and warrants to Bank that:

2.1 APC has good and marketable title to the Collateral free and clear of any mortgages, liens, security interests, claims, or other encumbrances, except for the security interest created by this Security Agreement. The execution, delivery, and performance of this Security Agreement will not result in the creation or imposition of any other mortgage, lien, security interest, claim, or other encumbrance in all or any part of the Collateral. No lien, claim, financing statement, security agreement, mortgage, or other writing is on file in any public filing or recording office or title registration office giving notice of or creating (or purporting to give notice of or create) any mortgage, lien, security interest, claim, or other encumbrance on all or any part of the Collateral, except financing statements and security interests in favor of Bank. Bank has a valid and continuing first lien on, and first perfected security interest in, the Collateral, prior to all other mortgages, liens, security interests, claims or other encumbrances, and such security interest will be enforceable as such against all other persons.

2.2 The amount and aging of each scheduled account in any financial statement, accounts aging, or other material supplied by APC to Bank are correctly stated. Each of the accounts arose from the performance of services or from an outright and lawful sale or lease of goods by APC, and all such goods have or will be shipped or delivered to the account debtor, and APC has possession of, or has delivered to Bank, all available shipping and/or delivery receipts evidencing such shipments or delivery. Each of the accounts is assignable. Unless otherwise disclosed to Bank in writing, no account is subject to setoff, credit, allowance or adjustment by the account debtor or by any other party to any agreement evidencing the account, except such discount as may be allowed for prompt payment. No account debtor has complained as to its liability on any account and had not returned any of the goods from the sale or lease from which such accounts arose. Each of the accounts arose in the ordinary course of APC's business, unless otherwise disclosed to Bank in writing, no notice of the bankruptcy, insolvency, or failure of any account debtor to pay debts as they become due as been received by APC.

2.3 None of the Collateral is subject to any licensing, patent royalty, trademark, trade name, or copyright agreement with any third party.

2.4 All tangible Collateral is in good repair and condition, and no tangible Collateral is a fixture except as specifically described in Schedule A attached hereto. Any and all tangible Collateral, which is in the possession of any third parties, is held pursuant to a contract and is clearly identified as the property of the APC.

3. **Covenants.** APC covenants and agrees to and with Bank at all times throughout the term of this Agreement, such covenants and agreements in this Agreement to be in addition to the covenants, duties, and obligations of APC set forth in the Loan Agreement and other Loan Documents, that:

3.1 **Collection of Accounts.** Bank is authorized at any time and from time to time following the occurrence of an Event of Default (as hereinafter defined) to take all actions necessary to collect all or any part of the accounts in their own name or in the name of APC. Upon request of Bank, APC shall execute and deliver to Bank (in addition to documents previously delivered to Bank) an assignment, in a form satisfactory to Bank, of all APC's right, title, and interest in and to each of the accounts, and shall obtain an acknowledgment of assignment from any and all account debtors in a form satisfactory to Bank. Following the occurrence of an Event of Default, if the accounts at any time include more than one account of the same account debtor, Bank may apply the proceeds of any collection received from such account debtor toward the liquidation of any such account as Bank may determine. Following the occurrence of an Event of Default, Bank may settle or adjust all disputes or claims directly with the account debtors with respect to any of the accounts, and may compromise or extend the time of payment for any of the accounts on such terms and conditions as Bank may determine without affecting the liability of APC under this Security Agreement or any other document evidencing or relating to the obligations. The costs of such collection and enforcement, including attorneys' fees and out-of-pocket expenses and all other expenses and liabilities resulting therefrom, shall be borne solely by APC and shall be immediately due and payable to Bank by APC. Bank shall not be liable for failure to collect or enforce any of the accounts or for any act or omission on the part of Bank or their officers, agents, and employees, except willful misconduct. Until Bank exercise its right, APC is authorized to, and shall use, its best efforts to effect the prompt collection of the Accounts. This authorization may be terminated at any time following the occurrence of an Event of Default, and Bank may, at their election, notify any account debtor on any of the accounts of the assignment thereof and effect collection of any of the accounts directly from the account debtor obligated thereon.

3.2 **Disposition of Account Collections.** APC shall deposit all Proceeds (with all appropriate endorsements) received by APC into their accounts at Bank promptly after receipt by APC. After the occurrence of an Event of Default, Bank may, in their sole discretion, apply the Proceeds to the payment of any of the obligations or release such money to APC without waiving the right of Bank to retain Proceeds which are subsequently delivered to Bank. Bank

shall have full power to collect, compromise, endorse, sell, or otherwise deal with such Proceeds in Bank's own names or that of APC.

3.3 **Further Assurance of Collateral.** APC shall promptly and duly execute and deliver to Bank all lien entry forms, financing statements, continuation statements, instruments, documents, acknowledgments, and evidences (including, without limitation, correction instruments) and take such further action deemed by Bank to be necessary or desirable to perfect, and continue the perfection of, the security interest granted herein and otherwise to obtain the full benefits granted to Bank hereunder, and shall pay the cost of filing any such financing statement, instrument, document, or evidence and of taking such action wherever and whenever deemed necessary or desirable by Bank. Upon request of Bank, APC shall furnish appropriate searches to Bank, including a search as to federal tax liens necessary to establish to the satisfaction of Bank, APC's good and marketable title to the Collateral and Bank's first and prior lien position with respect to all of the Collateral.

3.4 **Expenses.** APC shall pay all fees, costs, and expenses of Bank (including, without limitation, attorneys' fees and court costs) incurred both before and after an Event of Default incident to the transactions contemplated in this Security Agreement, including, without limitation, the filing and perfection of Bank's interest in the Collateral; the enforcement of Bank's rights, powers, and remedies in this Security Agreement; and all costs of selling, advertising, and other foreclosure expenses. All such fees, costs, and expenses shall be due promptly upon invoice therefor and shall bear interest from the date incurred from day to day at a varying rate per annum equal to the Note Rate, or the Default Rate, after an Event of Default (as defined in the Notes).

3.5 **Additional Rights.** APC hereby irrevocably appoints Bank to be APC's true and lawful attorney, with full power of substitution, in Bank's name or Grantor's name or otherwise for Bank's sole use and benefit, but at APC's cost and expense, to exercise at any time all or any of the following powers with respect to all or any of the Collateral:

(i) to demand, sue for, collect, receive and give acquittance for any and all moneys due or to become due upon or by virtue thereof;

(ii) to receive, take, endorse, assign and deliver any and all checks, notes, drafts and other negotiable and non-negotiable instruments taken or received by Bank in connection therewith;

(iii) to settle, compromise, compound, prosecute or defend any action or proceeding with respect thereto;

(iv) to sell, transfer, assign or otherwise deal in or with the same or the proceeds or avails thereof and to apply for and obtain any required consents of any necessary parties or any governmental authority for any such sale or other disposition, as fully and effectually as if Bank were the absolute owner thereof; and

(v) to make any reasonable allowances and other reasonable adjustments with reference thereto.

3.6 The exercise by Bank of, or failure to so exercise, any authority granted hereinabove shall in no manner effect APC's liability to Bank, and provided, further, that Bank shall be under no obligation or duty to exercise any of the powers hereby conferred upon it and it shall be without liability for any act or failure to act in connection with the collection of, or the preservation of any rights under any of the Accounts or Contract Rights.

4. **Additional Covenants of Grantor.** In addition to APC's covenants, representations and warranties contained herein or in the Loan Agreement, APC covenants that:

4.1 APC's records of the Collateral will be located at APC's principal place of business. APC shall not change the principal location of the Collateral or records pertaining thereto except upon prior written notice to Bank, and, if the proposed new location is in a state other than Oklahoma, upon Bank's valid perfection of its security interest in such state. If APC is not the owner of any premises where any Collateral is located, APC will furnish such consents and waivers executed by the owners of such premises as Bank shall reasonably request.

4.2 APC will defend the Collateral against any claims and demands of all other persons at any time claiming the same or an interest therein which would conflict with any claim or interest of Bank. APC will not encumber, sell, transfer, assign, abandon or otherwise dispose of the Collateral except for: (i) collection, discharge, discount, compromise or expiration of Accounts, Contract Rights or General Intangibles in the ordinary course of APC's business, (ii) sale or transfer of Instruments or Inventory, and cancellation of Insurance in the ordinary course of business, and (iii) Permitted Liens.

4.3 APC will have and maintain insurance covering the risks similar to other businesses. As requested by Bank, APC shall deliver certificates evidencing each policy of insurance with respect to the Inventory (except liability insurance) to Bank and Bank is authorized by APC to act as its attorney in collecting, adjusting, settling or canceling such insurance and endorsing any drafts drawn by insurers.

4.4 APC will use the Collateral for business purposes and not in violation of any statute or ordinance.

4.5 Upon reasonable advance notice to APC, Bank may examine and inspect the Collateral at any reasonable time and at any reasonable place, wherever located.

4.6 APC will pay promptly when due all taxes and assessments upon the Collateral or upon its use or sale. At its option Bank may discharge taxes, liens or other encumbrances at any time levied against or placed on the Collateral which have not been stayed as to execution and contested with due diligence in appropriate legal proceedings, and Bank, upon failure of APC to maintain insurance, may pay for insurance on the Collateral and may pay for insurance on the

Collateral and may pay for maintenance and preservation of the Collateral but is under no duty or obligation to do so. APC shall reimburse Bank on demand for any such expense incurred by Bank pursuant to the foregoing authorization with interest on such sum at the rate of interest provided in the Notes or any extension or renewal Notes.

4.7 APC will at all times keep accurate and complete records of APC's Accounts and Contract Rights, and will deliver such reconciliation reports and other financial information to Bank as Bank may at any time reasonably request. Upon reasonable advance notice, Bank, or any of its agents shall have the right to call at APC's place or places of business during normal business hours and without disrupting APC's operations, at intervals to be determined by Bank, to inspect, audit, make test verifications and otherwise check and make extracts from the books, records, journals, orders, receipts, correspondence and other data relating to APC's Accounts, Contract Rights, Instruments, Insurance, General Intangibles or to any other transactions between the parties hereto.

4.8 Upon Bank's written demand after the occurrence of an Event of Default under the Loan Documents, APC agrees to stamp all books and records pertaining to Accounts, Contract Rights and General Intangibles to evidence Bank's security interest therein in a form satisfactory to Bank.

4.9 APC will from time to time upon demand furnish to Bank such further information and will execute and deliver to Bank such financing statements and assignments and other papers and will do all such acts and things as may be necessary or appropriate to establish, perfect and maintain a valid security interest in the Collateral as security.

4.10 APC will use their best efforts to obtain the consent of any person, governmental instrumentality or agency, or public body or official to the assignment hereunder of any Account, Contract Right or General Intangible if such consent may be required by the terms of any contract or statute and if Bank so requests.

5. Equipment.

5.1 On Bank's request, APC shall identify from time to time the locations of the Equipment and identify in writing the locations at which any Equipment is used or stored. No Equipment will be removed from the locations except for use in the ordinary course of business. No Equipment will be stored at locations other than the location identified in writing by APC. Bank may during APC's business hours inspect and examine the Equipment and verify the quality, quantity, value and condition thereof. APC shall from time to time, but not less than monthly, deliver to Bank any such information required by the Bank regarding the Equipment and the value thereof.

5.2 APC shall conduct a physical review and description of Equipment at such intervals as Bank may reasonably request and shall upon the request of Bank promptly supply Bank with a copy of the report. Except after the existence of an Event of Default, which has been declared, APC may use the Equipment in the ordinary course of its business. APC shall

provide Bank with notice of the receipt of any Equipment subject to a purchase money security interest or lease and provide Bank with a copy of any lease or security agreements, provided Bank shall not be deemed to have consented to such relationships.

5.3 Equipment will not be moved from the locations at which it is stored except in the ordinary course of APC's business. The Equipment may be moved from one location to another without notice to Bank. Equipment may not be moved from its present location to a new location until all steps necessary to perfect Bank's security interest in the Equipment at such new location are completed.

5.4 APC shall keep and maintain the Equipment in good and operating condition and repair and make all necessary repairs thereto so that the value and operating efficiency will be maintained and preserved. APC will provide Bank with immediate notice of any material loss or damage to any Equipment. APC shall not permit any item of Equipment to become a fixture or an accession to other property not pledged to Bank without the prior written consent of Bank unless Bank has perfected a security interest in such item as a fixture or accession. With respect to rolling stock, APC (to the extent applicable) shall immediately deliver to Bank, properly endorsed, a lien entry form or other certificate of title or application sufficient to perfect Bank's lien in rolling stock and shall take all actions necessary to have Bank's lien properly recorded on each certificate of title as well as take all steps necessary to perfect the lien on such assets.

5.5 APC may from time to time substitute Equipment provided that (i) the substitute Equipment is not subject to any lien and has a fair market value at least equal to the fair market value of the Equipment for which it is substituted; (ii) the marketability and operating integrity of the Equipment after such substitution is not impaired; (iii) an event of default has not occurred (whether declared or undeclared); and (iv) any such substitute Equipment shall become part of the Collateral and the Equipment shall become the property of the APC free and clear of any security interest other than that of Bank's. Otherwise, APC shall not sell, exchange, lease, transfer or otherwise dispose of any Equipment except for sales, which Bank has approved. At all times pertinent, APC shall promptly notify Bank in writing of its acquisition of any after acquired Equipment and provided a description of Equipment and its present location.

6. Inventory.

6.1 APC's Inventory shall be located at APC's principal place of business except for (i) Inventory in transit; and (ii) Inventory at locations of which the Bank has been notified in writing. No Inventory will be removed from the locations except for the purpose of sale in the ordinary course of business. No Inventory will be stored at locations other than identified herein except with the prior written consent of Bank. Bank may during APC's business hours inspect and examine the Inventory and verify the quality, quantity, value and condition thereof. APC shall from time to time, but not less than monthly, deliver to Bank any such information required by the Bank regarding the Inventory and the value thereof.

6.2 APC shall conduct a physical count of inventory at such intervals as Bank may reasonably request, and shall upon the request of Bank promptly supply Bank with a copy of the

report accompanied by a statement of the value of the Inventory as required. Except after the existence of an Event of Default which has been declared, APC may sell Inventory in the ordinary course of its business which does not include a transfer in full or partial satisfaction of indebtedness or a transfer for less than fair equivalent value. APC shall provide Bank with notice of the receipt of any consigned Inventory or Inventory subject to a purchase money security interest and provide Bank with a copy of any consignment or security agreements, provided Bank shall not be deemed to have consented to such relationships.

7. Events of Default.

7.1 APC shall be in default under this Agreement (an "Event of Default") upon the occurrence of any Event of Default specified in the Loan Agreement, Loan Documents or the Notes or as follows:

- (i) The failure to pay any interest or principal due by APC to Bank;
- (ii) There shall occur an event of default under the Notes or any other Loan Documents between the APC and the Bank;
- (iii) Any representation and warranty of APC to the Bank in connection with this transaction shall prove to have been false in any material respect on the date when made or deemed to have been made;
- (iv) APC's failure to pay at maturity or, with any period of grace, any material indebtedness to any other lender or failure to observe any material term, provision or covenant with any other lender;
- (v) APC shall apply for or consent to the appointment of receiver, custodian, trustee, liquidator or any similar official; generally not pay its debts as they become due; make an assignment for the benefit of creditors, commence a voluntary case under the Bankruptcy Code or similar Code hereafter in effect; take any action or commence any action or proceeding relating to bankruptcy, insolvency, reorganization, winding-up, composition or adjustment of debts; fail to contest in a timely manner a Petition for a involuntary case against APC, or take any corporate action for the purposes of winding-up or dissolving the corporation;
- (vi) A judgment, not covered by insurance, shall be entered against APC or any Guarantor for sums in excess of \$250,000.00, which judgment shall not have been stayed for 30 days;
- (vii) APC shall cease to operate or actively engage in business or an order be entered against the APC by any regulatory agency having jurisdiction over the APC closing the APC or seizing the assets of the APC or providing for reorganization, liquidation or dissolution of APC;

(viii) Failure of any security interest or pledge of its assets to constitute a valid first and prior security interest lien on the Collateral except as otherwise provided; or

(ix) The breach or default under any covenant, agreement, term, condition, provision, representation or warranty contained in this Agreement or any other loan documents which is not cured within 30 days after notice by APC to the Bank of the occurrence thereof.

7.2 Upon the occurrence of an Event of Default: Bank shall have all of the rights, powers and remedies set forth in the Loan Documents, the Notes, this Security Agreement, and any instrument or other evidence of any of APC's other Liabilities secured hereby, together with the rights and remedies of a secured party under the Uniform Commercial Code including without limitation, the right to sell, lease or otherwise dispose of any or all of the Collateral, and to take possession of the Collateral, and for that purpose Bank may enter peaceably any premises on which the Collateral or any part thereof may be situated and remove the same therefrom and APC will not resist or interfere with such action. Bank may require APC to assemble the Collateral and make it available to Bank at a place to be designated by Bank which is reasonably convenient to both parties. APC hereby agrees that its above-mentioned address and the place or places of location of the Collateral are places reasonably convenient to it to assemble the Collateral. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Bank will send APC reasonable notice of the time and place of any public sale or reasonable notice of the time after which any private sale or any other disposition thereof is to be made. The requirement of sending reasonable notice shall be met if such notice is mailed, postage prepaid, to APC at least ten (10) days before the time of the sale or disposition. Bank may at any time in its discretion transfer any property constituting Collateral into its own name or that of the nominee and receive the income thereon and hold the same as security for the liabilities.

Insofar as Collateral shall consist of Accounts, Documents, Chattel Paper, Contract Rights, Instruments, General Intangibles or the like, Bank may demand, collect, receipt for, settle, compromise, adjust, sue for, foreclose or realize upon Collateral as Bank may determine whether or not Liabilities or Collateral are then due and for the purpose of realizing Bank's rights therein, Bank may receive, open and dispose of mail addressed to APC, may take possession of all APC's books and records pertaining to Accounts or other Collateral, and may endorse notes, checks, drafts, money orders, documents of title or other evidences of payment, shipment or storage of any form of Collateral on behalf of and in the name of APC. After deducting all expenses incurred by Bank in protecting or enforcing its rights in the Collateral, the residue of any proceeds of collection or sale of the Collateral shall be applied to the payment of principal or interest of APC's Liabilities in such order as Bank may determine, and any excess shall be returned to APC, and APC shall remain liable for any deficiency. Bank may exercise its rights with respect to Collateral without resorting to or regard to other collateral or sources of reimbursement for Liability.

7.3 APC recognizes that the Collateral may not be readily marketable and may not be marketable at all if an Event of Default has occurred. In order, therefore, to enable Bank to use such means as it may determine necessary or advisable to realize upon the Collateral from time to time, APC consents that Bank may use commercially reasonable means it may reasonably consider necessary or advisable to sell any or all of the Collateral at any time or times after default thereunder which shall be continuing, including but not restricted to the giving of an option to purchase any or all of the Collateral to any party and the extending of credit to any purchaser of such Collateral. Bank may sell any or all of the Collateral or commit itself to sale without limiting the amount sold to the amount of indebtedness secured thereby, plus costs of collection. Because it would be unlikely that any party would become interested in purchasing the Collateral as a result of the giving of any notice of public sale, APC agrees that any such sale or sales may be private and without competitive bidding.

7.4 In addition, after the occurrence of one or more Events of Default, regardless of whether such Event(s) of Default were caused by APC or by causes beyond the control of APC, Bank, in their absolute discretion, also may selectively and successively pursue any or all of the following:

(a) **Performance.** Bank may perform any covenant, obligation or duty which gave rise or will give rise to the Event of Default, and such performance shall not prevent Bank from exercising any or all of their rights hereunder on account of such Event of Default or otherwise relieve APC of any Event of Default. Nothing contained in this Section shall obligate Bank to perform any covenants, obligation, or duty of APC, and any such performance shall be entirely at the option of Bank.

(b) **Possession of Personal Property.** Bank may take possession of, assemble, and collect the Collateral, and require APC to assemble the Collateral and make it available at any place Bank may designate so as to allow Bank to take possession of the Collateral.

(c) **Deposit Accounts.** Bank may apply in satisfaction of the Secured Obligations any deposits or other sums credited by or due from Bank to APC.

(d) **Other Security.** Bank may resort to any security given by this Security Agreement, the Loan Agreement, or in any of the other Loan Documents, or to any other security or agreement now existing or hereafter given, to secure the payment of the obligations in whole or in part and in such portions and in such order as may seem best to Bank in Bank's sole and uncontrolled discretion.

(e) **Other Remedies.** Bank may exercise any other legal or equitable rights, powers, or remedies Bank may have under this Security Agreement, the Loan Agreement or the Loan Documents or that Bank may have at

law or in equity, all specific remedies mentioned herein and therein being cumulative of, and in addition to, all such legal and equitable rights, powers, and remedies.

7.5 **Waiver.** APC waives any and all rights to require Bank to proceed against APC or any other person whomsoever, to proceed or exhaust any collateral or other security held by Bank, or to pursue any other remedy available to Bank.

7.6 **Notice of Sale.** Written notice mailed to APC, as provided herein, ten (10) days prior to the date of public sale of the Collateral or prior to the date, after which private sale of the Collateral will be made, shall constitute reasonable notice.

7.7 **Multiple Sales.** Several sales of the Collateral may be made without exhausting Bank's right to such remedy for any unsatisfied part of the Secured Obligations and without exhausting the power to exercise such remedy for any other part of the Secured Obligations, whether matured at the time or subsequently maturing. If a part of the Collateral is sold, and the proceeds thereof do not fully pay and satisfy the Secured Obligations, such sale, if so made, shall not in any manner affect the unpaid and unsatisfied part of the Secured Obligations, but as to such unpaid and unsatisfied part, the Secured Obligations shall remain in full force and effect.

7.8 **Right to Purchase.** In the case of any and all sales of any or all of the Collateral, Bank shall have the right to purchase the Collateral being sold, and in such cases the right to credit, upon the amount of the bid made therefor (to the extent necessary to satisfy such bid), in the amount of the Secured Obligations then due.

8. Miscellaneous.

8.1 No delay or omission by Bank in exercising any of its rights hereunder shall be deemed to constitute a waiver thereof. All rights and remedies of Bank hereunder shall be cumulative and may be exercised singularly or concurrently.

8.2 This Agreement shall be governed by and construed under the laws of the State of Oklahoma. None of the items or provisions of this Agreement may be waived, altered, modified, or amended except by an agreement in writing signed by Bank and APC.

9. Miscellaneous Provisions.

9.1 **Governing Law.** This Security Agreement and the rights and obligations of the parties under this Security Agreement shall be governed by, and construed, interpreted, and enforced in accordance with the law of the State of Oklahoma.

9.2 **Titles; Captions.** The titles, captions, and headings in this Security Agreement are for convenience only, are not a part of this Security Agreement, and shall have no affect upon the construction or interpretation of all or any part of this Security Agreement.

9.3 **Severability.** In the event any one or more of the provisions contained in this Security Agreement is determined to be invalid, illegal, or unenforceable in any respect, the validity, legality, or enforceability of the remaining provisions in this Security Agreement shall not in any way be affected or impaired thereby.

9.4 **Entire Agreement.** This Security Agreement embodies the entire agreement between APC and Bank with respect to the security interest continued herein, and there are no oral agreements or other written agreements existing between APC and Bank with respect to the security interest created herein which are not expressly set forth in this Security Agreement or in the other Loan Documents (as defined in the Loan Agreement).

9.5 **Term.** This Security Agreement shall continue in full force and effect, and APC shall be bound by and obligated to perform each and every covenant contained in this Security Agreement until all obligations shall be paid in full and Bank shall have no further or additional obligation to advance funds under the Loan Agreement.

9.6 **Amendments.** No amendment to this Security Agreement shall be effective unless such amendment is in a writing executed by APC and Bank.

9.7 **Waiver.** No course of dealing and no failure to exercise or delay in exercising, on the part of APC or Bank, any right, remedy, power, or privilege under this Security Agreement shall operate as a waiver thereof. Any single or partial exercise or attempted exercise of any right, remedy, power, or privilege under this Security Agreement shall not preclude any other or further exercise thereof or the independent, concurrent, or subsequent exercise of any other right, remedy, power, or privilege. All waivers of any provision of this Security Agreement by APC or Bank shall be in writing duly executed by APC or Bank, respectively.

9.8 **Release.** No transfer, renewal, extension, or assignment of this Security Agreement or any interest therein, no release of any Guarantors, and no loss, damage, or destruction of the Collateral shall release APC from its obligations under this Security Agreement.

9.9 **Notices.** All notices, requests, and demands under this Security Agreement, to be effective, shall be in writing and, unless otherwise expressly provided in this Security Agreement, shall be deemed to have been duly given or made when actually delivered to the intended addressee, when deposited in the mail, first class postage prepaid, addressed as follows, or to such address or other address as any party to this Security Agreement may hereafter designate for such purpose in a written notice to the other party[ies] as set out in the Loan Agreement.

9.10 **Successors and Assigns.** This Security Agreement shall be binding upon, and shall inure to, the benefit of APC, Bank, and their respective successors and assigns.

9.11 **Jurisdiction.** Without excluding any other jurisdiction, APC and Bank consent to, and waive any objection to, the jurisdiction and venue of the District Court of Tulsa County, State of Oklahoma, or the United States District Court for the Northern District of Oklahoma, in any proceeding brought in connection with this Security Agreement.

IN WITNESS WHEREOF, APC and Bank have caused this Security Agreement to be duly executed and delivered, individually or by their proper and duly authorized officers, as of the day and year first above written.

GRANTOR:

**ASPHALT PRODUCTS & CONSULTING, INC.,
an Oklahoma corporation**

By: 
David Duncan, President

STATE OF OKLAHOMA)
)
COUNTY OF TULSA) ss.

Before me, the undersigned, a Notary Public, in and for said County and State, on this 2 day of January, 2002, personally appeared **David Duncan** to me personally known, who being by me duly sworn, says that he is the **President** of **ASPHALT PRODUCTS & CONSULTING, INC., an Oklahoma corporation**, and acknowledged to me that he executed the same as his free and voluntary act and deed, and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.


Notary Public

(S E A L)

My Commission Expires: 12-6-02

GRANTEE:

GOLD BANK,
an Oklahoma banking corporation

By: _____


Kurt Kazmierski, Senior Vice President

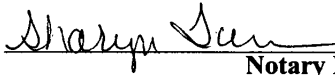
STATE OF OKLAHOMA)

COUNTY OF TULSA)

ss.

Before me, the undersigned, a Notary Public, in and for said County and State, on this 12 day of January, 2002, personally appeared **Kurt Kazmierski** to me personally known, who being by me duly sworn, says that he is a **Senior Vice President** of **GOLD BANK, an Oklahoma banking corporation** and acknowledged to me that he executed the same as his free and voluntary act and deed, and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.



Notary Public

(SEAL)

My Commission Expires: 12-6-02

EXHIBIT "A"

SERIAL #	UNIT #	DESCRIPTION
541400	TIMC235001	25330 WG, 116-1/4 ID, C&I DOT111A100W1 Railroad Tankcar
541401	TIMX235002	25330 WG, 116-1/4 ID, C&I DOT111A100W1 Railroad Tankcar
541402	TIMX235003	25330 WG, 116-1/4 ID, C&I DOT111A100W1 Railroad Tankcar
541403	TIMX235004	25330 WG, 116-1/4 ID, C&I DOT111A100W1 Railroad Tankcar
541404	TIMX235005	25330 WG, 116-1/4 ID, C&I DOT111A100W1 Railroad Tankcar
541405	TIMX235006	25330 WG, 116-1/4 ID, C&I DOT111A100W1 Railroad Tankcar
541406	TIMX235007	25330 WG, 116-1/4 ID, C&I DOT111A100W1 Railroad Tankcar
541407	TIMX235008	25330 WG, 116-1/4 ID, C&I DOT111A100W1 Railroad Tankcar
541408	TIMX235009	25330 WG, 116-1/4 ID, C&I DOT111A100W1 Railroad Tankcar
541409	TIMX235010	25330 WG, 116-1/4 ID, C&I DOT111A100W1 Railroad Tankcar
543231	TIMX235011	25330 WG, 116-1/4 ID, C&I DOT111A100W1 Railroad Tankcar
543232	TIMX235012	25330 WG, 116-1/4 ID, C&I DOT111A100W1 Railroad Tankcar
543233	TIMX235013	25330 WG, 116-1/4 ID, C&I DOT111A100W1 Railroad Tankcar
543234	TIMX235014	25330 WG, 116-1/4 ID, C&I DOT111A100W1 Railroad Tankcar
543235	TIMX235015	25330 WG, 116-1/4 ID, C&I DOT111A100W1 Railroad Tankcar
543236	TIMX235016	25330 WG, 116-1/4 ID, C&I DOT111A100W1 Railroad Tankcar
543237	TIMX235017	25330 WG, 116-1/4 ID, C&I DOT111A100W1 Railroad Tankcar